

Mobile County
Down-Payment Assistance
Program Guidelines



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(Updated 4/1/2020)
(Updated 7/1/2020)



Translation provided upon request.



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Program Overview

The Down Payment Assistance Program (DPA) for first time homebuyers is provided through the U.S. Department of Housing and Urban Development's (HUD) Home Investment Partnerships (HOME) Program and is designed to increase the supply of affordable housing for low-income households. The County believes this homeownership assistance program will be a valuable component in efforts to stabilizing neighborhoods, assisting low income families to build financial equity while fostering economic growth.

DPA assistance consists of a deferred loan for down payment and closing costs and is available to qualified households who intend to purchase a single family dwelling located within the designated Mobile County geographic area and whose household income is 80% or less of the current median family income for Mobile County.

HOME funds are intended to be used in conjunction with other funds to ensure that no more than the necessary amount of funds is invested in each project. The amount of HOME assistance will be determined by the homebuyer's need for gap financing.

The minimum amount of assistance available is \$1,000 and the maximum is \$10,000. This assistance is provided in the form of an interest free deferred loan forgiven in equal monthly installments over a period of five (5) years, provided the homebuyer maintains the home as the principal residence on a full-time permanent basis. This deferred loan will be secured by a promissory note and junior mortgage to be signed at closing. Prior to closing, the homebuyer and the County will enter into a HOME Agreement which explains the terms of the note and mortgage, the period of affordability, the principal residence requirement, and the recapture requirement. The HOME Agreement shall be signed by the County and the Homebuyer.

In order to establish eligibility as well as the amount of assistance possible, an applicant will need to complete and submit a **Down Payment Assistance Application** (inclusive of all support documents). The Mobile County Grants Department staff will be responsible for providing the application forms and for collecting and reviewing required information to evaluate each applicant in accordance with the guidelines set forth herein. The documentation collected and reviewed as a result of the application submission will be kept on file by Mobile County, as will other documents that will be incorporated for those applicants who are approved for a loan. Grants Department staff will be responsible for review of the application which includes financing ratios (front and back end); monthly expenses; assets and cash reserves; amount of assistance; and the primary mortgage. Specific program requirements for each are outlined within these guidelines.

Buyer Qualification Thresholds

To ensure that potential homebuyers meet minimum eligibility thresholds, the following qualifications apply:

First-time Homebuyer

This program is designated for “first-time homebuyers,” which means that the applicant or the co-applicant must:

1. Not have owned a home or have been a party to a home mortgage within the past three (3) years.
OR
2. Be a “single parent” (as defined by HUD) which is an individual who is unmarried or legally separated from a spouse and has one or more minor children of whom the individual has custody or joint custody, or is pregnant. OR
3. Be a “displaced homemaker” (as defined by HUD) which is an adult who has not worked full-time full year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

Citizenship Status

All individuals within the purchasing household (inclusive of non-applicants and minors) must be citizens of the United States or qualified aliens eligible to receive federal public benefits under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (“PRWORA”).

Income

Purchasing household must have an anticipated annual gross income (for the next 12 months) that does not exceed 80% of the current median family income (based on household size) for Mobile County. HUD updates and publishes HOME Income Limits annually. When published, this new data will supersede the existing data. *See Appendix A (i) for current HUD income limits.* The purchasing household must meet the current income requirements at the time of application for DPA.

The DPA Program will use the Part 5, (also known as Section 8 Program) definition to determine household income. The Part 5 definition of gross income, (projected for the next 12 months) includes the combined income of all adults who will live in the home and are employed, including adult children (18 years of age or older) who are employed (other than dependent full-time students). *For a full understanding of what is considered, see the income inclusions and exclusions at Appendix B.* Generally, a student under the age of 24 is ineligible for HOME assistance, unless he or she meets the specific exception outlined in 24 CFR 5.612.

Failure to report household income constitutes fraud. As provided in 18 U.S.C. 1001, whoever knowingly and willfully makes any materially false, fictitious or fraudulent statement or representation relating to income or any other matter in an application for federal assistance is subject to a fine and imprisonment for not more than five (5) years.

Financial Considerations

Debts & Expenses

Applicants will be required to disclose both debts and expenses.

Debts will include items for which money has been borrowed and will include (but not be limited to) car loans, student loans, credit cards, payday loans, revolving credit accounts, etc... Debts are generally subject to a written contract and require payments over a specified period of time. Those debts that are due to expire within 10 months or less will not be considered in the calculation of the back end ratio (unless these are critical to the ability to pay the mortgage during this timeframe); however, future housing debt will be included in both the front and back end ratios and will include principal, interest, taxes and insurance (a.k.a. P.I.T.I.).

Expenses differ from debts, as these involve an outflow of money to pay for an item or service. These will vary by applicant, but include things such as transportation (auto-maintenance, gas, etc...); food (groceries); healthcare (prescriptions, doctor co-pays, personal items (barber/beauty, clothing, etc...); childcare (tuition, school supplies, etc...); and miscellaneous (entertainment, pets, insurance etc...). Applicants will be asked to provide information on regular expenses of \$100 or more for consideration of the residual income calculation.

Minimum Buyer Investment

Applicants are required to invest at least \$500 towards down payment or closing costs. To receive credit for this investment, a buyer's contribution must be shown on the Closing Disclosure Statement. Credits may include earnest money deposit, cash at closing, or cost "paid outside of closing" such as an appraisal, home inspection, or other eligible costs.

Assets

The maximum liquid assets held by the applicant, at the time of application cannot exceed \$10,000. The assistance will be reduced by any amount over the \$10,000 limit. For the purposes of this requirement, liquid assets will include any assets, of the adults who will hold title to the home, that are convertible to cash (including but not limited to savings or checking accounts, certificates of deposit, stocks and bonds, etc.). Liquid assets, however, will not include any assets held in a tax-preferred retirement or health savings account recognized by the Internal Revenue Service.

Other Program Requirements

Homebuyer Counseling

Potential homebuyers must successfully complete a homebuyer counseling class provided by a County designated agency (which is HUD approved) as the first step in participating in the County's DPA program.

The class is provided at no cost to the homebuyer. The County will absorb the fees for counseling from its CDBG funds. Homebuyers will also receive the HUD required Lead Hazard Information Pamphlet, Lead Disclosure Notice and the Notice of Lead Reduction (as applicable).

A HUD approved housing counseling agency designated by the County will provide the homebuyer counseling class and will issue a certificate of completion. The certificate is valid for two (2) years, however, if changes are made to the Mobile County DPA program, which is subject to the current Federal regulations as may be amended, the rules at the time of the application will apply. All counselors will be required to be HUD certified after August 1, 2020, as per 24 CFR 214.

The counseling may be provided by any method deemed appropriate by the approved counseling agency (i.e., in-person, by phone, or via internet) and may be done on an individual household or group training basis.

Materials used for housing counseling will be in accordance with the National Industry Standards for Homeownership Education Counseling (NISHEC) and will include, but are not limited to, the following topics: Eligibility and Requirements of the Mobile County homebuyer program as established by the County, Money Management/Budgeting, Credit Reports, Shopping for a Home, Home Inspections, Obtaining a Mortgage, Mortgage Loan Closings, Insurance, Fair Housing and Predatory Lending Issues.

In accordance with NISHEC benchmarks, counseling should include at least one session of 4 to 8 hours, with a 6 hour minimum requirement. This minimum standard is set as a baseline best practice; however, there is no established maximum, as this will need to be determined on a case by case basis.

Unless otherwise approved by the County, all adult household members who will hold title and be party to the first mortgage must have attended the homebuyer counseling course. The County will not consider an application for DPA without this certificate of completion.

Property Location

At the time of application, the property must be located in the Mobile County HOME Consortium's designated area, which currently includes the following:

- | | |
|---|-------------------------|
| 1. All of the unincorporated areas of Mobile County | 6. Town of Mount Vernon |
| 2. City of Bayou La Batre | 7. City of Prichard |
| 3. City of Chickasaw | 8. City of Saraland |
| 4. City of Citronelle | 9. City of Satsuma |
| 5. City of Creola | 10. City of Semmes |

The HOME Consortium area listed above is subject to change.

The purchase price of the property cannot exceed the applicable HOME Homeownership Value Limit published by HUD and updated annually. Note there are different limits for existing and newly constructed housing. *See Appendix A (ii) for HUD maximum purchase price limits.*

Environmental Review

The County will perform a site specific environmental review of each property. The property must meet certain environmental requirements. If the property does not comply with these requirements, the request for DPA will be denied. The environmental review is at no cost to the homebuyer.

Home Inspection

It is recommended that the homebuyer obtain an independent home inspection. The cost of the inspection may be included as closing cost (see section on **Minimum Buyer Investment**). However, the cost of inspection will not be reimbursed if for any reason the homebuyer does not receive HOME assistance for that specific property.

The property to be acquired must also be inspected by the County's designated home inspector. The County's home inspection will be done in accordance with the prevailing HOME property standards (24 CFR 92.251). If the property was built prior to January 1, 1978 the home inspector will conduct a visual lead assessment to identify any deteriorated lead-based paint, dust, debris, and residue issues.

In the event of any code violations, repairs related to deferred maintenance or defects or lead-based paint issues are discovered during the initial County inspection, the seller will be required to correct/repair each, at the seller's expense prior to closing. In accordance with the Environmental Protection Agency (EPA) guidelines, at least one EPA certified renovator must be at the job site or available when work is being performed to correct any lead-based paint issues using lead safe work practices.

Once all the identified corrective work is performed, the property will be re-inspected to confirm that the code violations, repairs, and lead-based paint issues have been satisfactorily completed. If the seller chooses not to make the required repairs or the home fails two (2) re-inspections, the request for DPA will be denied.

The County's inspection is conducted at County expense and is for the County use only. The enumeration of necessary repairs revealed by the inspection, or the absence thereof, does not constitute a representation, guaranty, or warranty of the condition of the property. It is not to be construed as or relied upon as the home inspection (if any) required under the terms of the homebuyer's purchase agreement or upon which the purchase of the home or the homebuyer's first mortgage application may be contingent. A copy of the County inspection will be provided to the homebuyer, lender and realtor.

Neither the lender nor Mobile County shall have any liability for costs incurred by any party for repairs. The County **may** issue a contingent loan approval subject to satisfactory completion of repairs prior to settlement.

Insurance

The homeowner will be required to carry hazard insurance for the term of the junior mortgage and note, in an amount sufficient to pay all outstanding liens and naming the County as an additional loss payee in primary coverage. Flood insurance is required for property in a 100 year flood plain (a.k.a. Special Flood Hazard Area as designated by FEMA) and is recommended for all other properties. Evidence of insurance, naming the County as an additional loss payee, must be provided at closing and annually thereafter.

Property Type

A single family dwelling unit located within the Mobile County HOME Consortium's designated area (see **Property Location**) will be considered for participation in the program. Property to be purchased must be owner-occupied, purchaser-occupied (if leased), or vacant.

Rental property is not eligible unless the tenant is the purchaser.

In keeping with the County's policy to minimize displacement of tenants, no property that would result in the displacement of tenant(s) is eligible for this program. The seller will be required to certify the occupancy status of the home.

Ineligible Property Types

1. Manufactured homes, condominiums, town houses and duplex or multi-plex units.
2. A single family dwelling unit located on a private road.
3. A foreclosed property subject to a right of redemption.
4. A single family dwelling unit that is a "short sale".

Property Use and Period of Affordability

The HOME program establishes a length of time called the period of affordability for all HOME-assisted homebuyer housing. The period of affordability is based upon the amount of direct HOME assistance provided to the homebuyer that enables the homebuyer to purchase the house. The period of affordability for assistance of up to \$10,000, is five (5) years. The period of affordability *begins* on the date the DPA loan is shown as completed (the "completion" date) in HUD's Integrated Disbursement and Information System (IDIS), which will be within seven (7) days from the date of real estate closing/purchase of the property.

The homebuyer must maintain the home as the principal residence on a full-time permanent basis throughout the period of affordability and must provide proof of continued residency for each of the five (5) years of the period of affordability. The County will request a copy of utility bills and proof of homeowner insurance annually (during the period of affordability) in order to document occupancy. Failure to provide proof of residency may result in a requirement that the entire HOME investment be repaid.

Financing

First/Primary Mortgage Expectations

To ensure that buyers receive a mortgage that is sustainable over time, the County requires that the buyer obtain a first mortgage that is considered to be a “Qualified Mortgage” under the requirements of the Consumer Financial Protection Bureau (CFPB), as codified at 12 CFR 1026(43)(e). Qualified Mortgages, among other features, limit balloon payments and the loan term as well as total points and lender fees to reasonable levels.

Acceptable first mortgage financing can be conventional, Federal Housing Administration (FHA), U.S. Department of Agriculture Rural Development (USDA RD), Veterans Administration (VA) or equivalent.

The mortgage lender is required to complete the First Mortgage Certification which is located in the DPA application package.

Interest rates must be competitive and must NOT be a “Higher Priced” loan as defined by CFPB.

The first mortgage should be a fully amortizing 30-year fixed rate loan. Loans from USDA may be a 33-year fully amortized fixed loan.

When the first mortgage is limited by the loan-to-value ratio (LTV) rather than by the buyer’s ability to afford the monthly payment, the primary mortgage must allow an LTV of at least 95%. See **Financing Ratios** (paragraph 4) for expectations when the buyer’s debt ratios limit the amount of the first mortgage.

Financing Ratios

1. The first /primary mortgage monthly payment (includes Principal, Interest, Taxes, and Insurance a.k.a. P.I.T.I.) **cannot exceed 30%** of the anticipated gross annual income. This is known as the “front end ratio” and it is used to determine the maximum allowable P.I.T.I..
2. The primary mortgage, combined with other consumer debt, **cannot result in a total debt to income ratio (a.k.a. “back end ratio”) greater than 43%** (per 12 CFR 1026.43e).
3. The residual income will be calculated based on deducting the total monthly reoccurring expenses, projected P.I.T.I. and other monthly debt obligations (as used in the back end ratio calculation) from net income (take home pay) to determine if a minimum of \$100 remains.
4. When the buyer’s first mortgage is limited by debt to income ratio and/or the residual income calculation, the first mortgage monthly payment (P.I.T.I.) **cannot be less than 25%** of gross annual income.

No Co-signers

The homebuyer(s) must qualify on their own merit **without** a co-signer.

Amount and Terms of Down Payment Assistance

The minimum amount of assistance available is \$1,000 and the maximum is \$10,000. This assistance is in the form of a no-interest deferred loan forgiven in equal monthly installments over five years. Since HOME funds are intended to be used in conjunction with other funds to ensure that no more than the necessary amounts of funds are invested in one project, not every participating household will receive the maximum amount of assistance. The level of homebuyer assistance will be determined by the homebuyer's need for gap financing, as determined by the front and back end ratios.

The deferred loan will be secured by a promissory note and junior mortgage to be executed at closing. No monthly payments are required. One sixtieth (1/60th) of the loan amount is forgiven for each full month that the homebuyer retains ownership of and occupies the home on a full-time permanent basis. If the homebuyer retains ownership and occupies the home for a period of five (5) years, the full amount of the loan assistance provided is completely forgiven and the mortgage released. No application fees will be charged to obtain this loan.

The homebuyer is required to have a minimum cash reserve equivalent to at least one month's payment of principal, interest, taxes and insurance at the time of closing.

Refinancing of HOME Funds

The Homebuyer may not refinance the first mortgage during the period of affordability for any purpose other than to 1) reduce the interest rate and/or 2) reduce the term of the first mortgage. The Homebuyer may not "cash out" equity in the Purchased Home.

Any new loan proposed for a refinancing will be reviewed to ensure that the proposed loan terms, features and costs comply with the first mortgage guidelines outlined herein. This review will not require a full underwriting or submission of another DPA Application; however, the limited review of the new loan will be done to ensure the affordability and sustainability of the first mortgage.

Cause for Recapture/Repayment

The County uses the provisions of 24 CFR 92.254 (a)(5)(ii)(2) and (4), recapture net of proceeds; Owner investment returned first.

If the homebuyer **transfers title** of the property either voluntarily (including by sale) or involuntarily (including by foreclosure) during the period of affordability, the homebuyer will be required to pay the County the remaining balance of the total direct HOME-assistance provided. However, the homebuyer will not be required to repay the County more than the net proceeds of the sale. If there are no net proceeds, repayment is not required and the HOME Program requirements are considered to be satisfied. This remedy of the County is called "recapture net of proceeds". The term net proceeds is defined as the sale price less the balance due on the first mortgage and special liens due there under; reasonable and customary expenses of sale; and the value of the homebuyer's initial investment in the home. The County

reserves the right to determine whether the sales price is comparable to the sales price in an arms-length transaction for a similar unit.

If the homebuyer **ceases to occupy** the home, leases the home, converts the home to non-residential use or should the home be destroyed by fire or other cause, the HOME investment (i.e., amount provided for down payment and closing costs) is subject to repayment.

Application Process

When applying for the first mortgage the homebuyer will complete the DPA application and submit all required information and documentation to the first mortgage lender. After mortgage commitment, the completed DPA application, purchase agreement, lender's loan application and loan estimate will then be submitted by the first mortgage lender to the County.

The homebuyer's eligibility for DPA is subject to final review for compliance by the County. The County reserves 15 working days to review and approve completed applications. If any of the required information or documentation is not submitted with the application, it will be considered incomplete. Incomplete applications will take longer than the reserved 15 working days. If the DPA application is approved the County will notify the applicant, lender, and the designated title company. If the application is rejected, a letter will be sent to the applicant and lender with specific reasons for rejection. Closings will only be scheduled **after** the County has reviewed and approved the final Closing Disclosure Statement.

Funding Availability

DPA funding is contingent upon the availability of HOME program funds. Once an application is received by the first mortgage lender, DPA funds may be reserved by the lender by faxing the Reservation of Funds fax transmittal sheet found in the application package to (251) 574-5080.

DPA funds will be made available on a first-come first-served basis until funds have been exhausted. Funds will be reserved for 60 days. Reserved funds will be tied to the specific homebuyer and property. The lender is responsible for canceling a DPA reservation as soon as they become aware that the loan cannot be closed.

APPENDIX A (i) – HUD Income Limits

HUD ADJUSTED MEDIAN FAMILY INCOME LIMITS

Households cannot have annual incomes that exceed 80% of HUD Adjusted Median Family Income. HUD's current Adjusted Median Family Income limits, shown in relation to household size, are listed below.

FY 2020 HUD Adjusted Median Family Income *(effective 7/1/20)*

(NOTE: HUD publishes the Adjusted Median Family Income (HAMFI) updates annually. When published, the new data will supersede the existing data).

Household Size	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 Persons
Max Income at 80% AMI	\$34,400	\$39,300	\$44,200	\$49,100	\$53,050	\$57,000	\$60,900	\$64,850

Example: Using the table above, a family of two persons can have an annual income up to \$39,300, a family of four can have an annual income up to \$49,100, or a family of six can have an annual income up to \$57,000 to qualify for the program.

APPENDIX A (ii) – HUD Purchase Price Limits

HUD MAXIMUM PURCHASE PRICE LIMITS FY 2020 *(effective 4/1/2020)*

(NOTE HUD publishes updates to the maximum purchase price limits, when published the new data will supersede the existing data).

Existing Homes Purchase Price Limit \$141,000

New Homes Purchase Price Limit \$238,000

APPENDIX B - Section 8 Income Inclusions and Exclusions

The items listed below must be included in the calculation of total household income.

SECTION 8 – Income Inclusions

1. The full amount, before any payroll deductions, of wages and salaries, overtime pay, commissions, fees, tips and bonuses, and other compensation for personal services.
2. Net income from the operation of a business or profession. Expenditures for business expansion or amortization of capital indebtedness cannot be used as deductions in determining net income; however, an allowance for depreciation of assets used in a business or profession may be deducted, based on straight line depreciation, as provided in Internal Revenue Service regulations. Any withdrawal of cash or assets from the operation of a business or profession is included in income, except to the extent the withdrawal is reimbursement of cash or assets invested in the operation by the family.
3. Interest, dividends and other net income of any kind from real or personal property. Expenditures for amortization of capital indebtedness cannot be used as a deduction in determining net income. An allowance for depreciation is permitted only as authorized in number 2 (above). Any withdrawal of cash or assets from an investment will be included in income, except to the extent the withdrawal is reimbursement of cash or assets invested by the family. Where the family has net family assets in excess of \$5,000, annual income includes the greater of the actual income derived from the net family assets or a percentage of the value of such assets based on the current passbook savings rate, as determined by HUD.
4. The full amount of periodic payments received from Social Security, annuities, insurance policies, retirement funds, pensions, disability or death benefits and other similar types of periodic receipts, including a lump-sum amount or prospective monthly amounts for the delayed start of a periodic payment (except as provided in number 14 of Income Exclusions).
5. Payments in lieu of earnings, such as unemployment and disability compensation, worker's compensation and severance pay (except as provided in number 3 of Income Exclusions).
6. Welfare Assistance. Welfare assistance payments made under the Temporary Assistance for Needy Families (TANF) program are included in annual income as denoted herein if these qualify as assistance under the TANF program definition at 45 CFR 260.31 and are not otherwise excluded as noted in the Income Exclusions.

If the welfare assistance payment includes an amount specifically designated for shelter and utilities that is subject to adjustment by the welfare assistance agency in accordance with the actual cost of shelter and utilities, the amount of welfare assistance income to be included as income consists of:

- The amount of the allowance or grant exclusive of the amount specifically designated for shelter or utilities; **plus**
- The maximum amount that the welfare assistance agency could in fact allow the family for shelter and utilities. If the family welfare assistance is ratably reduced from the

standard of need by applying a percentage, the amount calculated under this paragraph is the amount resulting from one application of the percentage.

7. Periodic and determinable allowances, such as alimony and child support payments and regular contributions or gifts received from organizations or from persons not residing in the dwelling.
8. All regular pay, special day and allowances of a member of the Armed Forces (except as provided in number 7 of Income Exclusions).

The items listed below are not counted as income in the calculation of total household income.

SECTION 8 – Income Exclusions

1. Income from employment of children (including foster children) under the age of 18 years.
2. Payments received for the care of foster children or foster adults (usually persons with disabilities, unrelated to the tenant family, who are unable to live alone).
3. Lump-sum additions to family assets, such as inheritances, insurance payments (including payments under health and accident insurance and worker's compensation), capital gains and settlement for personal or property losses (except as provided in number 5 of Income Inclusions).
4. Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.
5. Income of a live-in aide as defined in 24 CFR 5.403
6. The full amount of student financial assistance paid directly to the student or the educational institution.
7. The special pay to a family member serving in the Armed Forces who is exposed to hostile fire.
8.
 - (a) Amounts received under training programs funded by HUD.
 - (b) Amounts received by a person with a disability that are disregarded for a limited time for purposes of Supplemental Security Income eligibility and benefits because they are set aside for use under a Plan to Attain Self-sufficiency (PASS).
 - (c) Amounts received by a participant in other publicly assisted programs that are specifically for, or in reimbursement of, out-of-pocket expenses incurred (special equipment, clothing, transportation, child care, etc.) and that are made solely to allow participation in a specific program.
 - (d) Amounts received under a resident service stipend (as defined in 24 CFR 5.609(c)(8)(iv).
 - (e) Incremental earning and benefits resulting to any family member from participation in qualifying state or local employment training of a family member as resident management staff. Amount excluded by this provision must be received under employment training programs with clearly defined goals and objectives, and are excluded only for the period during which the family member participates in the employment-training program.

9. Temporary, nonrecurring, or sporadic income (including gifts).
10. Reparation payments paid by a foreign government pursuant to claims under the laws of that government by persons who were persecuted during the Nazi era.
11. Earnings in excess of \$480 for each full-time student 18 years old or older (excluding the head of household or spouse).
12. Adoption assistance payments in excess of \$480 per adopted child.
13. Reserved.
14. Deferred periodic amounts from SSI and Social Security benefits that are received in a lump sum amount or in prospective monthly amounts, or any deferred Department of Veterans Affairs disability benefits that are received in a lump sum amount or in prospective monthly amounts.
15. Amounts received by the family in the form of refunds or rebates under state or local law for property taxes paid on the dwelling unit.
16. Amounts paid by a state agency to a family with a member who has a developmental disability and is living at home to offset the cost of services and equipment needed to keep this developmentally disabled family member at home.
17. Amounts specifically excluded by any other federal statute from consideration as income benefits under a category of assistance programs that includes assistance under any program to which the exclusions apply:
 - ◊ The value of the allotment provided to an eligible household under the Food Stamp Act of 1977;
 - ◊ Payments to Volunteers under the Domestic Volunteer Service Act of 1973;
 - ◊ Certain payments received under the Alaska Native Claims Settlement Act;
 - ◊ Income derived from certain submarginal land of the United States that is held in trust for certain Indian tribes;
 - ◊ Payments or allowances made under the Department of Health & Human Services' Low-Income Home Energy Assistance Program;
 - ◊ Income derived from the disposition of funds to the Grand River Band of Ottawa Indians;
 - ◊ The first \$2,000 of per capita shares received from judgment funds awarded by the National Indian Gaming Commission or the U.S. Claims Court, the interests of individual Indians in trust or restricted lands, and the first \$2,000 per year in income received by individual Indians from funds derived from interests held in such trust or restricted lands. This exclusion does not include proceeds of gaming operations regulated by the Commission;

- ◊ Amounts of scholarships funded under Title IV of the Higher Education Act of 1965, including awards under Federal Work-Study programs or under the Bureau of Indian Affairs student assistance programs. For Section 8 programs only, any financial assistance in excess of amounts received by an individual for tuition and any other required fees and charges under the Higher Education Act of 1965, from private sources, or an institution of higher education, shall not be considered income to that individual if the individual is over the age of 23 with dependent children;
- ◊ Payments received from programs funded under Title V of the Older Americans Act of 1965;
- ◊ Payments received on or after January 1, 1989, from the Agent Orange Settlement Fund (101) or any other fund established pursuant to the settlement in *In Re Agent Orange Liability Litigation*, M.D.L. No. 381 (E.D.N.Y.);
- ◊ Payments received under the Maine Indian Claims Settlement Act of 1980;
- ◊ The value of any child care provided or arranged (or any amount received as payment for such care or reimbursement for costs incurred for such care) under the Child Care and Development Block Grant Act of 1990;
- ◊ Earned income tax credit (EITC) refund payments received on or after January 1, 1991, for programs administered under the United States Housing Act of 1937, title V of the Housing Act of 1949, Section 101 of the Housing & Urban Development Act of 1965, and sections 221(d)(3), 235, and 236 of the National Housing Act;
- ◊ Payments by the Indian Claims Commission to the Confederated Tribes and Bands of Yakima Indian Nation or the Apache Tribe of Mescalero Reservation (95);
- ◊ Allowances, earnings and payments to AmeriCorps participants under the National and Community Service Act of 1990;
- ◊ Any allowance paid under the provisions of **38 U.S.C. 1833(c)** to children of Vietnam veterans born with spina bifida, children of women Vietnam veterans born with certain birth defects, and children of certain Korean service veterans born with spina bifida;
- ◊ Any amount of crime victim compensation (under the Victims of Crimes Act) received through crime victim assistance (or payment or reimbursement of the cost of such assistance) as determined under the Victims of Crimes Act because of the commission of a crime against the applicant under the Victims of Crimes Act;
- ◊ Allowances, earnings and payments to individuals participating in programs under the Workforce Investment Act of 1998;
- ◊ Any amount received under the Richard B. Russell School Lunch Act and the Child Nutrition Act of 1966, including reduced-price lunches and food under the Special Supplemental Food Program for Women, Infants, and Children (WIC);

- ◊ Payments funds or distributions authorized, established, or directed by the Seneca Nation Settlement Act of 1990;
- ◊ Payments from any deferred U.S. Department of Veterans Affairs disability benefits that are received in a lump sum or in prospective monthly amounts;
- ◊ Compensation received by or on behalf of a veteran for service connected disability, death, dependency, or indemnity compensation as provided by an amendment by the Indian Veterans Housing Opportunity Act of 2010 to the definition of income applicable to programs authorized under the Native American Housing Assistance and Self-Determination Act (NAHASDA) and administered by the Office of Native American Housing Programs;
- ◊ A lump sum or a periodic payment received by an individual Indian pursuant to the Class Action Settlement Agreement in the case entitled *Elouise Cobell et al. v. Ken Salazar et al.*, 816 F. Supp.2nd 10 (October 5, 2011 D.D.C.), for a period of one year from the time of receipt of that payment as provided in the Claims Resolution Act of 2010;
- ◊ Any amounts in an “individual development account” as provided by the Assets for Independence Act, as amended in 2002;
- ◊ Per capita payments made from the proceeds of Indian Tribal Trust Cases as described in PIH Notice 2013-30 “Exclusion from Income of Payments under Recent Tribal Trust Settlements; and
- ◊ Major disaster and emergency assistance received by individuals and families under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (93, as amended) and comparable disaster assistance provided by States, local governments, and disaster assistance organizations.